

Public Service Commission of the District of Columbia

717 Fourteenth Street, N.W., Suite 200
Washington, D.C. 20005
(202) 626-5100



DOCKET FILE COPY ORIGINAL

January 7, 1999

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Magalie Roman Salas
Secretary
Federal Communications Commission
445 Twelfth Street, S.W., TW-A325
Washington, DC 20554

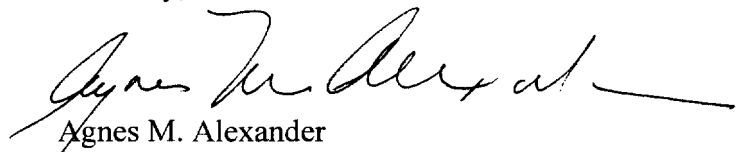
Re: Reply Comments in *Public Service Commission of the District of Columbia Seeks Retroactive Universal Service Support on behalf of Bell Atlantic-Washington DC, Inc.*, CC Docket No. 96-45, DA 99-1609

Dear Ms. Salas:

Pursuant to the Public Notice issued in the above-referenced proceeding, the Public Service Commission of the District of Columbia (DCPSC) hereby files an original and four copies of its Reply Comments. Three copies of these Comments have been sent to Sheryl Todd, and a diskette sent to International Transcription Services.

The DCPSC appreciates the opportunity to submit Reply Comments in this proceeding.

Sincerely,


Agnes M. Alexander
Commissioner

Enclosures

cc: Sheryl Todd, Accounting Policy Division
International Transcription Services

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List A B C D E

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Before the
Federal Communications Commission
Washington, DC 20554

RECEIVED
JAN 07 2000
FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)
)
Public Service Commission of the)
District of Columbia Seeks Retroactive)
Universal Service Support on behalf of)
Bell Atlantic – Washington, DC, Inc.)

CC Docket No. 96-45

DA 99-1609

REPLY COMMENTS

Pursuant to the Federal Communications Commission (FCC) Public Notice released November 16, 1999,¹ the Public Service Commission of the District of Columbia (DCPSC) submits its Reply Comments in the above-referenced proceeding. The DCPSC once again urges the FCC both to waive the requirement that the DCPSC designate an eligible carrier to receive universal service fund support by December 31, 1997, and to permit Bell Atlantic – Washington DC, Inc. (BA-DC) to receive federal universal service fund support retroactive to January 1, 1998. The DCPSC also files its Reply Comments to correct erroneous assertions made by the Office of the People's Counsel for the District of Columbia (OPC) that the DCPSC has authorized BA-DC to use federal universal service support funding to support non-core services.

I. BACKGROUND

Like many other jurisdictions, the District of Columbia has traditionally provided intrastate low-income universal service support through rates on services. The FCC's Report and Order on Universal Service² and subsequent orders necessitated changes to

¹ Public Service Commission of the District of Columbia Seeks Retroactive Universal Service Support on behalf of Bell Atlantic-Washington DC, Inc, CC Docket No. 96-45, *Public Notice*, DA 99-1609, (rel. Nov.16, 1999).

² CC Docket No. 96-45, FCC 97-157 (May 8, 1997).

the District's low-income universal service support program. The Report and Order on Universal Service, as applied to the District, required that, in order for BA-DC to receive federal universal service fund support, BA-DC first had to obtain a designation from the DCPSC that it was an eligible carrier, meeting a range of specific federal requirements.³ On September 30, 1997, BA-DC filed an application with the DCPSC for designation as an eligible carrier.⁴ After requiring BA-DC to amend its tariffs to comply with the FCC's mandates, the DCPSC approved BA-DC's amended tariffs on November 5, 1998⁵ and designated BA-DC as a carrier eligible to receive federal universal service support on December 17, 1998.⁶ The DCPSC also filed the petition for waiver at issue in this proceeding on December 17, 1998.⁷

On December 23, 1997, BA-DC requested federal universal service support as an eligible carrier.⁸ In this request, BA-DC indicated that upon receipt of federal universal service support, BA-DC would reduce its rates to customers.⁹ On March 31, 1999, BA-DC filed an application with the DSPSC to reduce its rates for certain services.¹⁰ BA-DC premised this application for rate reduction on the fact that BA-DC had begun to receive federal universal service fund support, which would offset intrastate universal service

³ Report and Order on Universal Service, paragraphs 132 and 134.

⁴ DCPSC Formal Case No. 962T, Letter from J. Henry Ambrose to Jesse P. Clay, Jr. (filed September 30, 1997).

⁵ DCPSC Order No. 11286.

⁶ DCPSC Order No. 11265.

⁷ DCPSC Petition for Waiver (filed December 17, 1998).

⁸ Letter from J. Henry Ambrose, BA-DC, to John Ricker, Universal Service Administrative Company, December 23, 1997).

⁹ Letter from J. Henry Ambrose, BA-DC, to John Ricker, Universal Service Administrative Company, December 23, 1997), 3.

¹⁰ Letter from J. Henry Ambrose, BA-DC, to Jesse P. Clay, Jr. (filed March 31, 1999) (see attached).

support collected through BA-DC rates.¹¹ Therefore, BA-DC requested the DCPSC to approve rate reductions for business message rate services, preferred telephone number service, and residence feature package discounts on value-added services.¹² The DCPSC invited public comment on BA-DC's application, and receiving no objections from OPC or any other party, approved the rate reductions on June 17, 1999.¹³ No one, including OPC, filed an application for reconsideration of this decision with the DCPSC.

II. THE DCPSC DID NOT AUTHORIZE BA-DC TO USE UNIVERSAL SERVICE SUPPORT TO FUND NON-CORE SERVICES

While OPC supports the DCPSC's designation of BA-DC as a universal service carrier and the DCPSC's request for retroactive federal universal service funding for BA-DC from the FCC,¹⁴ OPC also contends that BA-DC is improperly using federal universal service support funds to pay for non-core¹⁵ services.¹⁶ OPC asserts that, in its June 17, 1999 Order, the DCPSC authorized BA-DC to use universal service support funds to pay for business message rate service, preferred telephone number service, and residence feature package discounts on value-added services.¹⁷

However, OPC has mischaracterized the DCPSC June 17, 1999 Order. The Commission's June 17, 1999 Order authorized rate reductions, not the use of universal service funds. The DCPSC approved this reduction because, in receiving federal low-income universal service support to fund its Economy II Lifeline program, which offers

¹¹ Letter from J. Henry Ambrose, BA-DC, to Jesse P. Clay, Jr. (filed March 31, 1999), 1.

¹² Letter from J. Henry Ambrose, BA-DC, to Jesse P. Clay, Jr. (filed March 31, 1999)

¹³ DCPSC Order No. 11401 (June 17, 1999) (see attached).

¹⁴ Office of the People's Counsel Reply Comments, 3. (filed December 17, 1999).

¹⁵ 47 C.F.R. § 54.101 defines the "core" services that may be supported through federal universal service funds. Carriers may not use federal universal service support to fund non-core services.

¹⁶ Office of the People's Counsel Reply Comments, 3.

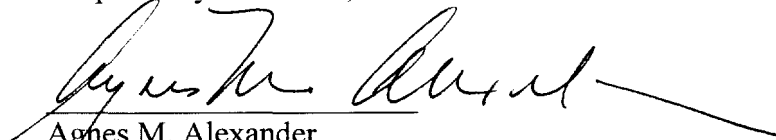
¹⁷ Office of the People's Counsel Reply Comments, 3.

the core services listed in 47 C.F.R. § 54.101, BA-DC was no longer required to use such a high level of intrastate universal service fund support collected through rates on services. Therefore, these rates could now be reduced. The DCPSC Order did not permit BA-DC to use universal service support to fund non-core services. Instead, it merely permitted rate reductions to offset the receipt of federal universal service funding that was formerly supplied through local funds. Therefore, in its Comments, OPC has erred by claiming that universal service funds are being used to support non-core services.

CONCLUSION

In its Comments, OPC erroneously asserts that the DCPSC approved a request by BA-DC to have federal universal service support fund non-core services. What the DCPSC actually approved was a request by BA-DC to reduce rates for selected services because these rates had previously subsidized intrastate universal service support, some of which was no longer necessary due to BA-DC's receipt of federal universal service funds. Since the DCPSC did not authorize BA-DC to improperly use federal universal service support, the FCC should deny OPC's request for relief.

Respectfully submitted,



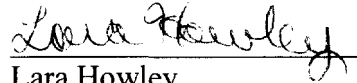
Agnes M. Alexander
Commissioner

Public Service Commission of the District of Columbia
717 14th Street, N.W.
Washington, DC 20005
Phone 202-686-5125
Fax 202-638-1785

January 7, 2000

CERTIFICATE OF SERVICE

I hereby certify, that on the 7th day of January, 2000, copies of the foregoing Reply Comments of the Public Service Commission of the District of Columbia were mailed first class, postage prepaid, to the parties below.


Lara Howley

Elizabeth Noel, Esq.
Sandra Mattavous-Frye, Esq.
Barbara Burton, Esq.
Office of the People's Counsel
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Washington, DC 20005-2710

John Walker, Esq.
Bell Atlantic – Washington, DC
1710 H Street, N.W.
Washington, DC 20006

962-T 291

Bell Atlantic - Washington, D.C., Inc.
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10th Floor
Washington, DC 20006
202 392-5455 Fax 202 659-4948
E-Mail: j_henry.ambrose@BellAtlantic.com

J. Henry Ambrose
Director
Regulatory Matters

99 MAR 31 PM 5:15

CHIEF CLERK



March 31, 1999

Mr. Jesse P. Clay, Jr.
Secretary
The Public Service Commission
of the District of Columbia
717 14th Street, N.W., Suite 200
Washington, D.C. 20005

Re: Formal Case No. 962

Dear Mr. Clay:

On December 17, 1998, the Public Service Commission of the District of Columbia designated Bell Atlantic - Washington, D.C., Inc. (BA-DC) as an eligible telecommunications carrier for purposes of receiving universal service support from the Federal Universal Service Support Fund and filed a Petition for Waiver with the Federal Communications Commission (FCC) to receive support retroactive to January 1, 1998. To date, BA-DC has not received notification regarding its request for retroactive 1998 funding, but has begun to receive support for 1999.

BA-DC's lifeline service, Economy II Telephone Service, is currently subsidized by its general customer base. BA-DC is hereby proposing to reduce end user rates by an amount commensurate with the additional federal support BA-DC is now receiving (in the amount of \$3.50 per Economy II customer).

Accordingly, the following tariff pages are filed to reflect BA-DC's proposed rate reductions to be effective July 1, 1999 pending Commission approval:

LOCAL EXCHANGE SERVICES TARIFF, P.S.C. - D.C. No. 202
Section 2, 7th Revised Page 2
LOCAL EXCHANGE SERVICES TARIFF, P.S.C. - D.C. No. 203
Section 8, 1st Revised Page 2
Section 21, 3rd Revised Page 13

Mr. Jesse P. Clay, Jr.
March 31, 1999
Page 2

BA-DC also proposes that the additional funding for the months prior to July 1, 1999 be addressed at a later date, due to the uncertain receipt of federal funding for 1998. Once the total amount of funding for the retroactive period is known, BA-DC will file with the Commission a proposal to address the disposition of such funds.

If you have any questions, please do not hesitate to call me at (202) 392-5455.

Sincerely,


L. Henry Ambrose
Director - Regulatory Matters

Attachments

Copy to: All parties of record

Bell Atlantic - Washington, D.C., Inc.

Section 2
7th Revised Page 2
Cancels 6th Revised Page 2

LOCAL EXCHANGE SERVICE

C. RATES (Cont'd)

2. Rate Schedule

	Per Month		
	Residence	Business	
Flat Rate Service			
Individual Line, first.....	\$14.00	-	
Individual Line, additional.....	14.00	-	
Private Branch Exchange (PBX) Trunk, first.....	14.00	-	
PBX Trunk, additional.....	14.00	-	
Message Rate Service			
Individual Line, first (1).....	7.45	\$11.74	(R)
Individual Line, additional (1).....	7.45	11.74	(R)
Individual Line, Economy I (2).....	4.35	-	
Individual Line, Economy II (1) (5) (6).....	3.00	-	
PBX Trunk (1).....	-	11.74	(R)
Message "B" Service (1) (4)			
Previous service			
Flat, Flat/Message, or Message Rate	7.45	-	
Flat/Rate Message Rate Service			
Individual Line, first (3).....	8.75	-	
Individual Line, additional (3).....	8.75	-	

For explanation of notes, see Pages 3 through 7 following.

Issued: March 31, 1999

Effective:

GENERAL SERVICES TARIFF
P.S.C.-D.C.-No. 203

Bell Atlantic - Washington, D.C., Inc.

Section 8
1st Revised Page 2
Cancels Original Page 2

PREFERRED TELEPHONE NUMBER SERVICE

C. RATES

For Preferred Telephone Numbers Associated With:	<u>Establishment Charge</u>	<u>Per Month</u>	<u>USOC</u>	
1. Residence Services, per preferred telephone number.....	\$4.87	-	RNCSP	(C)
2. Business Services, per preferred telephone number.....	9.74	3.41†	RNCSP	(D)

† The customer may elect to make a single payment of \$300.00 in lieu of the established monthly rate.

Bell Atlantic - Washington, D.C., Inc.

Section 21
3rd Revised Page 13
Cancels 2nd Revised Page 13

CUSTOM CALLING SERVICES

C. RATES (Cont'd)

	Usage Charge	Per Month, Per Line Equipped		USOC
		Residence	Business	
13. Residence Feature Packages, consisting of two, three, four or five features selected from call block, call forwarding, call waiting, Identa Ring distinctive ringing, priority call, repeat call, return call, select forward, speed calling, three-way calling, Home Intercom, Intercom Extra and Ultra Forward per individual feature				
Two-feature Package.....	12% less than*			ESY2F (R)
Three-feature Package....	18% less than*			ESY3F (R)
Four-feature Package....	22% less than*			ESY4F (R)
Five-feature Package....	25% less than*			ESY5F
14. Residence Service Variety Package				
Basic Features, per line	-	\$8.00	-	MVPO1
15. Return Call.....	-	4.00	\$4.50	NSS
per activation	\$.75	-	-	-
Subscription basis	-	4.00	4.50	NSS
16. Ultra Forward Feature.....	-	5.00	7.00	FRM
17. Select Forward.....	-	4.00	4.50	NCE
18. Speed Calling				
Eight-code capacity	-	1.50	2.40	ESL
Thirty-code capacity	-	3.83	4.31	ESF
19. Three-way Calling.....	-	4.00	4.40	ESC

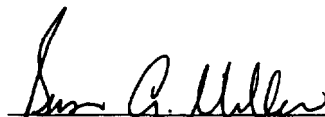
* The total of the monthly rates specified for the individual Residence Custom Calling Service features, per line equipped, preceding

Issued: March 31, 1999

Effective:

CERTIFICATE OF SERVICE

I hereby certify that on this 31st day of March, 1999, copies of Bell Atlantic - Washington, D.C., Inc.'s proposed rate reduction to offset additional Universal Service Federal Funding in Formal Case No. 962, were hand delivered or mailed first class, postage prepaid, to all parties as indicated on the attached service list.



Susan A. Miller

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**PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA
717 14TH STREET, N.W., WASHINGTON, D.C. 20005**

ORDER

June 17, 1999

**FORMAL CASE NO. 962, IN THE MATTER OF THE IMPLEMENTATION OF
THE DISTRICT OF COLUMBIA TELECOMMUNICATIONS ACT OF 1996 AND
IMPLEMENTATION OF THE TELECOMMUNICATIONS ACT OF 1996, Order No. 11401**

I. INTRODUCTION

On March 31, 1999, Bell Atlantic-Washington, D.C., Inc., ("BA-DC") filed an application¹ with the Public Service Commission of the District of Columbia ("Commission") requesting authority to reduce rates. In order to reflect the rate reduction in its Local Exchange Tariff, BA-DC has requested that the Commission allow it to amend "Local Exchange Services Tariff, P.S.C.-D.C. No. 202, Section 2, 7th Revised Page 2; and Local Exchange Services Tariff, P.S.C.-D.C. No. 203, Section 8, 1st Revised Page 2, Section 21, 3rd Revised Page 13" ("Tariff"). BA-DC's request for a rate reduction stems from the Commission's designation of BA-DC as an eligible carrier for the purpose of receiving federal support from the universal service support fund.

II. BACKGROUND

The federal government created the Lifeline program, in 1985, as a mechanism for increasing telephone subscribership among low income consumers by reducing their monthly service charges.² In 1996, Congress deregulated the telecommunications industry and required the Federal Communications Commission (FCC) to ensure that telecommunications services are available to consumers throughout the country at an affordable price.³ To accomplish this goal, Congress required the establishment of a universal service support fund by the FCC, in part, to support the Lifeline program. All telecommunications carriers are required to contribute to the fund and may, in turn, receive support from the fund if they have been designated an eligible telecommunications

¹ Letter from J. Henry Ambrose of BA-DC, to Jesse P. Clay, Jr., Commission Secretary, filed March 31, 1999 ("Application").

² TT 97-13, *In the Matter of the Application of Bell Atlantic-Washington, D.C., Inc., for Authority to Amend the Local Exchange Services Tariff, P.S.C.-D.C.-202, and General Services Tariff, P.S.C.-D.C.-No. 203*, Order No. 11286 (November 5, 1998).

³ 47 U.S.C. § 251 *et seq.*; § 214 (e)(2) (Supp. 1998).

carrier by the appropriate state commission.⁴ By Order dated December 17, 1998, the Commission designated BA-DC as an eligible carrier for the purpose of receiving federal universal service support effective January 1, 1998.

BA-DC implements the Lifeline program through its local Economy II service program. On March 31, 1999, BA-DC notified the Commission that BA-DC has begun receiving federal universal service support and that, as a result, it can now reduce the amount of support received from all its customer base.⁵ Therefore, beginning July 1, 1999, BA-DC requests that the Commission allow it to reduce end user rates by the additional amount of federal support it is now receiving. BA-DC estimates that the reduction will total approximately \$400,000 per year.⁶

III. DECISION

On May 21, 1999, the Commission published a notice in the D.C. Register inviting public comment on BA-DC's proposed rate reduction and amendment to the Tariff.⁷ No comments were filed in opposition to the notice. In view of that fact and inasmuch as the rate reduction will benefit ratepayers, the Commission approves BA-DC's application.

⁴ 47 U.S.C. § 214 (e)(2) (Supp. 1998); Formal Case No. 962, Order No. 11265 (December 17, 1998).

⁵ BA-DC's Application at 1.

⁶ The \$400,000 figure is based on a reduction of \$3.50 per Economy II customer multiplied over twelve months. *Id.*

⁷ Notice of Proposed Rulemaking published at 46 *D.C. Reg.* 4563-4564 (May 21, 1999).

THEREFORE, IT IS ORDERED THAT:

1. BA-DC's request to reduce rates is approved effective July 1, 1999.
2. BA-DC's proposed amendment to "Local Exchange Services Tariff, P.S.C.-D.C. No. 202, Section 2, 7th Revised Page 2; and Local Exchange Services Tariff, P.S.C.-D.C. No. 203, Section 8, 1st Revised Page 2, Section 21, 3rd Revised Page 13" is approved; and
3. The Commission Secretary shall cause a Notice of Final Rulemaking to be published in the *D.C. Register*.

A TRUE COPY:

CHIEF CLERK

BY DIRECTION OF THE COMMISSION:


JESSE P. CLAY, JR.
COMMISSION SECRETARY